

## CHANGES TO THE WISCONSIN SHARES CHILD CARE SUBSIDY PROGRAM

**Attention Child Care Providers:** This is notification to you regarding several changes to the Wisconsin Shares child care subsidy program.

**The following changes to Wisconsin Shares will become effective February 26, 2006:**

- The 2005 maximum child care reimbursement rates will continue to be used through February 25, 2006.
- Effective February 26, 2006, the Department of Workforce Development (DWD) will implement the 2006 maximum reimbursement rates.
- The 2006 maximum reimbursement rates will be calculated differently than in past years. The 2005 maximum reimbursement rates were calculated for each county by finding the price that providers charge that would allow up to 75% of the child care slots to be purchased for licensed group and licensed family child care. The 2006 maximum reimbursement rates will be calculated by combining counties into one of four groups (0-24%, 25-49%, 50-74%, and 75-100%). The groups are based on the percent of population that live in an urban area in each county. The United States Census report will be used as the source to identify the percent of urban population for each county. The reimbursement rate for each county/tribe will be capped so that no county/tribal rate is either increased or decreased by more than 10% of the 2005 rate.
- The divisor will be standardized so that all counties and categories of care will use a divisor of 35. Currently, each county chooses a divisor of either 30, 35, or 40 for each category of care (licensed group, licensed family, regularly certified, and provisionally certified). This means that providers may receive the full time rate when they provide at least 35 hours of care.
- DWD will no longer pay for 10 day notice when a child stops attending a provider. Currently, DWD pays a 10 day notice when a child stops attending a child care provider. The intent of the policy was to pay the 10 day notice when the child was still in care and give notice the provider that authorization would be ending in 10 days. However, the child care worker usually finds out that the parent has changed day care providers when the child is at the new provider. DWD pays the 10 day notice for an empty slot at the previous provider and pays the new provider for the same child.

Parents will be responsible for giving appropriate notice when planning not to use a provider any longer in accordance to the contract between the parent and the provider. If the parent does not give the appropriate notice, the parent will be responsible for paying any fee the provider charges. Please note that DWD is not responsible for enforcing the provider's contract with the parent.

The child care payment system will pay for one week of zero hour attendance. If the child is not in attendance the following week, the system will determine that the child is no longer in care and will not pay for that week, process a negative adjustment in order to recover payment for the previous week of zero hour of attendance, and end the authorization. If the child returns to that provider in the future, a new authorization can be entered. However, the weeks of zero hour attendance will not be paid.

- Registration fees will no longer be paid. DWD may have been paying registration fees to providers who do not normally charge this fee. Providers will need to collect this fee from parents in accordance with their contract with the parent.

**Why is DWD making all of these changes?**

These changes are not meant to penalize providers. Instead these changes are intended to make the Wisconsin Shares program more equitable and efficient across the state. The number of parents needing assistance with child care has continued to grow but the funding available has not gone up enough to meet this need.

In the last budget bill, DWD was required to come up with several millions of dollars in costs savings without denying child care to parents. These changes represent ways by which the program can continue to serve those who need it while controlling spending of tax dollars.

DWD recognizes that some of these changes may place additional burdens on some providers and will require parents to assume more responsibility for their child care arrangement. These measures were seen as the most equitable way of making the program more cost efficient without creating waiting lists, freezing/reducing provider rates, increasing co-pays, or restricting eligibility.

**Where can I get more information on how these policy changes will affect my child care business?**

DWD realizes that these policy changes may have a significant impact on some child care programs. We are giving providers two months notice prior to making these changes. We have created a web site to explain the policy changes with more detail. The web site is located at:

<http://dwd.wisconsin.gov/dws/programs/childcare/wishares/rates.htm>.

The web site provides maximum county rates by county for 2005 and 2006 in addition to Frequently Asked Questions and Answers.

**I would like to speak to someone to ask questions and/or voice concerns about these policy changes.****Who can I talk to?**

If you have questions or concerns regarding these policy changes, please contact the DWD Child Care Help Desk at (608) 261-6317 and chose option 2. Staff from the DWD Child Care Section will be available to answer your questions and respond to your concerns.

**What is happening in other states?**

The Wisconsin Shares program has been fortunate that it has not had to implement any changes in policy in order to control costs prior to 2006. Many other states have had to implement policies to cut costs over the past few years. Many states have had to create waiting lists, raise eligibility limits, freeze rates for several years, and increase co-pays.

**DWD thanks you for your participation in the Wisconsin Shares program and hopes that you will continue to provide care for Wisconsin Shares subsidized children.**